



United States Department of Agriculture
Risk Management Agency

March 2009

2009 COMMODITY INSURANCE FACT SHEET

Forage Production

Nebraska

Crop Insured

The crop insured will be planted perennial alfalfa or a mixture of perennial alfalfa and perennial grasses in which you have a share, that is planted for harvest, and is grown after the year of establishment. The policy **does not cover** any forage that:

- Is grown with a non-forage crop;
- Does not have an adequate stand at the beginning of the insurance period. An adequate stand requires a minimum number of living alfalfa plants per square foot for each year after the year of establishment (as shown below); or
- Exceeds the age limitations for forage stands contained in the special provisions and the chart below.

All Counties:

Living Alfalfa Plants/sq.ft.	1st Yr	2nd Yr	3rd Yr	4th Yr	5th Yr	6th Yr	7th Yr	8th Yr
Irr. Alfalfa	9.0	6.0	4.5	4.5	4.5	4.5	4.5	**
Irr. Alfalfa/Grass Mix	3.0	2.0	1.5	1.5	1.5	1.5	1.5	**
Irr. Grass/Alfalfa Mix	0.2	0.2	0.2	0.2	0.2	0.2	0.2	**
NI Alfalfa	6.0	4.0	3.0	3.0	3.0	*	*	**
NI Alfalfa/Grass Mix	2.0	1.3	1.0	1.0	1.0	*	*	**
NI Grass/Alfalfa Mix	0.2	0.2	0.2	0.2	0.2	0.2	0.2	**

*Overage stands are not insurable as the alfalfa type or alfalfa grass mixture type and must be insured as grass alfalfa mixture type.

**The grass alfalfa mixture type includes all overage alfalfa and alfalfa grass mixtures the 8th and succeeding years after the year of establishment, as long as there are at least 0.2 living alfalfa plants per square foot. No maximum age limitation applies.

Counties Available

APH forage production insurance is available in Boyd, Cedar, Custer, Holt, Howard, Keya Paha, Knox, Sherman, and Valley counties.

Coverage in other counties may also be available by individual written agreement if certain criteria are met, including records for at least three years of production history.

Causes of Loss

Adverse weather conditions¹
Failure of irrigation water supply²
Fire³
Insects⁴
Plant disease⁴
Wildlife

¹Such as hail, freeze, excess wind, excess rain, drought, and tornado.

²If due to an insured cause of loss within the insurance period.

³If due to natural causes.

⁴Only if effective control measures do not exist for such infestation.

Insurance Period

Insurance begins on acreage with an adequate stand for the calendar year following the year of seeding for spring planted forage, April 15, and for fall planted forage, October 16. Insurance ends at the earliest of: (1) total destruction of the crop, (2) removal from the windrow or the field for each cutting, (3) final adjustment of loss, (4) the date grazing commences on the forage crop, (5) abandonment of the forage crop, or (6) October 15 of the crop year.

Reporting Requirements

Acreage Report—You must report all your forage acreage in the county in which you have a share by the acreage reporting date.

Underwriting Report—You must complete the forage production underwriting report and submit a copy to your agent before insurance attaches. This report identifies each field and certifies basic information needed to determine type classification, unit structure, and insurability of the stand.

Important Dates

Sales Closing Date..... September 30, 2008
 Cancellation Date..... September 30, 2008
 Fall Seeded Acreage Report DateNov. 15, 2008
 Premium BillingJuly 1, 2009
 End of Insurance October 15, 2009

Definitions

Adequate Stand — A population of live plants per square foot that meets the minimum required number of plants as shown in the Special Provisions.

Coverage Levels & Premium Subsidies

Forage production may be insured at the coverage levels shown. Crop insurance premiums are subsidized as shown. For example, if you select the 75-percent coverage level, the premium subsidy is 55 percent and your premium share is 45 percent of the base premium. Catastrophic coverage (CAT) is available at 50 percent of your yield and 55 percent of the price election. The total cost for CAT coverage will be an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Price Elections

Price of compensation per ton in case of loss:
 Established price for alfalfa and alfalfa grass mixture is \$81.00/ton. Established price for grass alfalfa mixture is \$74.00/ton.

Insurance Units

Basic Unit: A basic unit includes all of your insurable forage production acreage in the county by share arrangement. Premiums are reduced 10 percent for a basic unit.

Optional Unit: If a basic unit consists of two or more sections of land, and certain record keeping requirements are met, you may apply for optional units by section. The 10-percent premium reduction does not apply.

Plans of Insurance

Actual Production History (APH) — Production guarantee based on individual yield history, protection is for yield loss only.

Replant Provisions

No replant payment is available.

Late and Prevented Planting

No late or prevented planting is available.

Loss Example

A loss occurs when the tons of forage production for the unit fall below the production guarantee. This example assumes a 3.5 ton per acre APH yield for alfalfa, 70-percent coverage level, 100 percent of the established price and basic unit coverage.

$$\begin{array}{r}
 3.5 \text{ tons per acre APH yield} \\
 \times .70 \text{ percent coverage level selected} \\
 \hline
 2.45 \text{ tons guarantee*} \\
 - 1.45 \text{ tons per acre actually produced} \\
 \hline
 1.0 \text{ tons per acre loss} \\
 \times \$81.00 \text{ price election} \\
 \hline
 \mathbf{\$81.00 \text{ gross indemnity*}}
 \end{array}$$

*Figures shown on a per acre basis; guarantees and losses paid are on a unit basis. See policy provisions.

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